

**TRANSMITTAL AND NOTICE OF APPROVAL
OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER

02-23

2. STATE:

ILLINOIS

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE:
July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT

a. FFY 02 \$2,324,000

b. FFY 03 \$9,924,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B Pages 22, 23 and 24

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19B Pages 22, 23 and 24

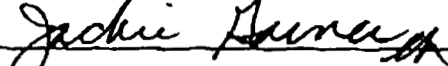
10. SUBJECT OF AMENDMENT:

OUTPATIENT

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Not submitted for review by prior
approval.

12. SIGNATURE OF AGENCY OFFICIAL:



13. TYPED NAME: Jackie Garner

14. TITLE: DIRECTOR

15. DATE SUBMITTED

16. RETURN TO:

ILLINOIS DEPARTMENT OF PUBLIC AID
201 SOUTH GRAND AVENUE, EAST
SPRINGFIELD, IL. 62763-0001
ATTENTION: John Rupcich**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

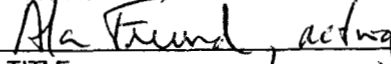
3/25/03

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

7/1/2002

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -OTHER TYPE OF CARE -BASIS FOR REIMBURSEMENT

7/02 ij. Pediatric Outpatient Adjustment Payments

Pediatric Outpatient Adjustment Payments shall be made to all eligible hospitals excluding county-owned hospitals described in Section C.8. of Chapter II, and hospitals organized under the University of Illinois Hospital Act, as described in Section C.8. of Chapter II, for outpatient services occurring on or after July 1, 1998, in accordance with this Section. ~~The provisions described in this Section will be effective through June 30, 2002.~~

i. To qualify for payments under this Section, a hospital must:

- A. be a children's hospital, as defined in Section c.3. of Chapter II and,
- B. have a Pediatric Medicaid Outpatient Percentage greater than 80% during the Pediatric Outpatient Adjustment Base Period.

7/02 ii. Hospitals qualifying under this Section shall receive the following amounts for the Pediatric Outpatient Adjustment Rate Year:

A. For Illinois hospitals with a Medicaid Inpatient Utilization Rate (MIUR) that is less than 75% ~~during the Pediatric Outpatient Adjustment Base Period~~, the product of;

- 1. the hospital's MIUR plus one, multiplied by,
- 2. the number of Pediatric Adjustable Outpatient Services, multiplied by
- 3. ~~\$156~~ \$169

7/02 B. For Illinois hospitals with an MIUR that is greater than or equal to 75% ~~during the Pediatric Outpatient Adjustment Base Period~~, the product of;

- 1. One and one-half the hospital's MIUR plus one, multiplied by,
- 2. the number of Pediatric Adjustable Outpatient Services, multiplied by
- 3. ~~\$156~~ \$169

7/02 C. For out of State cost reporting hospitals with an MIUR that is less than 75 percent, the product of:

- 1. The hospital's MIUR plus 1.15, multiplied by,
- 2. The number of Pediatric Adjustable Outpatient Services, multiplied by,
- 3. ~~\$156~~ \$169

TN # 02-23
SUPERSEDES
TN # 02-01

APPROVAL DATE _____ EFFECTIVE DATE 07-01-02

Attachment 4.19-B
Page 23State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

- 7/02 iii In addition to the reimbursement rates described in subsection ii. above, hospitals that have an MIUR that is greater than or equal to 80% during the Pediatric Outpatient Adjustment Base Period shall receive an additional ~~\$211,450~~ \$229,740 during the Pediatric Outpatient Adjustment Rate Year.
- 7/02 iv. Adjustments under this Section shall be paid at least quarterly. For the remainder of the rate year occurring in State fiscal year 2002, total payments will equal the result of the following calculations:
- A. The total payments resulting from payment methodologies in effect on January 1, 2002, will be reduced by the total payments calculated from the payment methodologies that were in effect on December 31, 2001.
- B. The difference from subsection (A) above will be divided by two and added to the total payments calculated from the payment methodologies that were in effect on December 31, 2001.
- C. The result of the calculation in subsection (B) above will be reduced by the actual payments each hospital already received from the period beginning July 1, 2001, and ending December 31, 2001, to produce the total payments for the remainder of State fiscal year 2002.
- 7/02 v. No less than annually, the Department will assess the adequacy of the qualifying criteria established in this Section. If the Department determines that existing qualifying criteria do not adequately address pediatric outpatient access, the Department will amend this Section within 90 days of such a determination.
- vi. Definitions
- A. "Medicaid Inpatient Utilization Rate (MIUR)," as used in this Section, has the meaning as defined in

TN # 02-23
SUPERSEDES
TN # 02-01APPROVAL DATE _____ EFFECTIVE DATE 07-01-02

State Illinois

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR
REIMBURSEMENT

Section C.8.e: C.8.e, Chapter VI, or Attachment 4.19-A, in effect for the rate period
October 1, 1996, through September 30, 1997.

- B. "Pediatric Adjustable Outpatient Services" means the number of outpatient services, excluding procedure code 0080, adjudicated through a UB92 billing form and grouped through the Hospital Ambulatory Care Groupings, as defined in Section 148.140.b..1., during the Pediatric Outpatient Adjustment Base Period. For a hospital, which includes a facility devoted exclusively to caring for children, that is separately licensed as a hospital by a municipality, Pediatric Adjustment Outpatient Services will include psychiatric services (categories of service 27 or 28) for children less than 18 years of age, that are billed through the affiliated general care hospital.
- C. "Pediatric Medicaid Outpatient Percentage" means a percentage that results from the quotient of the total Medicaid Pediatric Adjustable Outpatient Services for persons less than 18 years of age divided by the total Medicaid Pediatric Adjustable Outpatient Services for all persons, during the Pediatric Outpatient Adjustment Base Year.
- D. "Pediatric Outpatient Adjustment Base Period" means all services billed to the Department, excluding procedure code 0080, with State Fiscal Year 1996 dates of services that were adjudicated by the Department on or before March 31, 1997.
- E. "Pediatric Outpatient Adjustment Rate Year" means State Fiscal Year 1998 and each State Fiscal Year hereafter.

07/98 k. Appeals for Pediatric Outpatient Adjustment Payments.

The Department shall make Pediatric Outpatient Adjustment payments in accordance with Section 1.j. above. Hospitals shall be notified in writing of the results of the determination and calculation, and shall have the right to appeal the calculation or their ineligibility for

TN # 02-23
SUPERSEDES
TN # 98-14

APPROVAL DATE _____ EFFECTIVE DATE 07-01-02